



**Merchant Navy Ratings Pension Fund (the "Fund")
Ill health early retirement benefits ("IHER benefits")
Progress on the IHER settlement – as at 30 September 2022**

As members will know from previous updates, the Trustee is in the process of implementing the settlement over ill-health early retirement (IHER) benefits approved by the High Court on 24 February 2022.

Category A/B members

These members retired on an IHER pension on or after November 1989 and before 8 October 1993, which was scaled back on retirement and/or reviewed after it came into payment, and as a result it was reduced or suspended.

On or around 15 September 2022, an interim payment of 50% of all arrears and interest due to the payment date was made to nearly all relevant members or their spouses in receipt of benefits who are alive. Members pensions will also be uplifted from 15 October 2022.

The balance, less income tax deducted under PAYE, is expected to be paid to these members in December. The payment was made in two instalments because the Trustee was advised to clarify with HMRC what tax needed to be deducted and this took longer than expected.

Mercer, the Fund's administrators has undertaken an exercise to trace the relatives and estates of deceased members who are due a payment under the settlement. The Trustee aims to start to make contact from the end of October, with their personal representatives/executors, to commence the process of obtaining the information required to make a payment.

Category C

These members:

- were in service on 8 October 1993, and had been in service long enough at that time to have qualified for an IHER pension (had new IHER pensions not been stopped on 8 October 1993); and
- left service before Normal Pension Age due to permanent unfitness for sea service at the time they left service.

The Trustee wrote to all potential Category C members who have been successfully traced at that time (c. 3,200) to provide them with details of how to make a claim if they believed that they may be eligible.

A total of 940 responses had been received as at 16 September 2022. Of these, 189 members informed the Trustee they left service in the Fund because they were permanently unfit for further sea service. As at that date, 97 claim cases had been passed to the Appointed Persons for consideration and determination. These are the persons appointed under the settlement to determine whether a person is eligible for compensation.

Work is ongoing in relation to the claims submitted. Some are at various stages of file review or further information has been requested from the relevant member or medical advice sought.

As at 16 September, the Appointed Persons have determined 46 cases. They have decided that 34 claims are eligible and 12 are not eligible. The remaining cases continue to be assessed

Of the 34 determined as eligible, these have been passed to the Fund Actuary, WillisTowersWatson (WTW), to calculate what, if any, compensation should be provided to the member. If the value of their normal benefits in the Fund has a greater value than the IHER pension, then no compensation will be payable as they will not have suffered any loss and their pension will continue unchanged. If WTW's

calculations show that a member has suffered loss, compensation will become payable. This may be an increase to their pension in the future and/or a lump-sum payment of arrears (including interest).

The Trustee is responsible for monitoring the quality and timeliness of processing of cases. It receives detailed information on the progression of cases and to date is satisfied with the information that has been reported on the progression of cases. It has also commenced its monitoring of cases to ensure consistency and quality of cases decided by the Appointed Persons, in accordance with the terms of the settlement. The Trustee is satisfied that the project is progressing in a timely and appropriate manner.

If you left service through ill-health and think you might be eligible to make a claim, then to find out more, please go to

<https://www.mnrpf.co.uk/latest-news.php>

If any member would like further information about how the settlement is being implemented, then please contact us (see the details below).

A copy of the settlement agreement can be viewed on the Benpal section of the member website. You will need to log into this section to access this document. If you need assistance accessing the site or would like a paper copy (if you are unable to or do not wish to access the agreement through Benpal), please call Mercer on the freephone number below who can take you through the steps.

How to contact us if you have question

If you have a question about this letter and how it applies to you, please call our trained helpline agents who can provide more information about the settlement, can explain the settlement in general terms and answer any questions you may have. They cannot provide any views or advice.

- **Helpline freephone number: 0800 197 6923**
- **or ++44 330 818 7286 from overseas**

This is a dedicated phone line for this case. The helpline is open 8:30am – 5.30pm Monday to Friday, but we can also arrange to call you outside those hours if necessary.

You can also write to us or email us at the address below.

Our address for enquiries by post is:

Merchant Navy Ratings Pension Fund
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Maclaren House
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Stretford
Manchester M32 0FP

Our email address for enquiries is: mnrpf.mailings@mercerc.com